

EXHIBIT 1

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IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

IN RE: PROCESSED EGG PRODUCTS: MDL NO. 2002
ANTITRUST LITIGATION 08-MDL-02002

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PHILADELPHIA, PA
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NOVEMBER 4, 2019
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BEFORE: THE HONORABLE GENE E.K. PRATTER, J.

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TRANSCRIPT OF TRIAL PROCEEDINGS
DAY 3
- - - - -

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1 introductions, and I hope you can see people with the
2 jumbotron here. I'll put this down.

3 First of all, I want to introduce some of the
4 lawyers that are going to be assisting me in this case.
5 Sitting here at counsel table is Jay Levine, right there in
6 the middle, my colleagues Don Barnes, Allen Carter. Somewhere
7 hiding in the audience back there, there's Ben Steinberger and
8 Arlene Boruchowitz.

9 There's some other of my colleagues are going to be
10 assisting throughout the trial. And now I want to introduce
11 my client, Rose Acre Farms. Who is Rose Acre Farms? Rose
12 Acre Farms is a family-owned farm that's based in Seymour,
13 Indiana. Seymour, Indiana is about halfway between
14 Indianapolis and Louisville, in South Central Indiana. It's
15 headquartered in Seymour, Indiana and Seymour, Indiana has a
16 population of 19,000.

17 And if you are as old as I am and you remember MTV
18 actually used to play music, there was a rock star called --
19 his name was John Cougar Mellencamp, and John Mellencamp's
20 hometown is Seymour, Indiana. He actually had a hit song in
21 the '80s -- at least I remember -- that was called Small Town,
22 and that small town is Seymour, Indiana.

23 And in that small town of Seymour, Indiana, David
24 and Lois Rust started a farm. They got married in the 1950s
25 and they started a farm adjacent their house. And as you can

1 see on this photograph, there's Lois Rust. She doesn't have
2 the hard hat that you saw previously. These don't quite look
3 like mugshots that we saw earlier, but this is the Rust
4 family.

5 Lois Rust is 84 years old. She's having a little
6 trouble getting around now and she's -- she used to be the
7 chief executive officer of the company. She and her
8 husband -- former husband David is since deceased. In 2011
9 she handed the reins over to her family, and these are the
10 Rust children, some of whom you're going to meet. You might
11 have to kind of look low because they're over there,
12 underneath the screen, but Marcus Rust --

13 Marcus, can you stand up? Maybe they can see you
14 back there.

15 Marcus now is the chief executive officer of the
16 company. He's one of Lois's sons. We have Karen Rust. Karen
17 is here. Karen is also involved in the business.

18 Karen's son, Brice, is here. That's the next
19 generation, Brice McCoy, the next generation of Rusts who are
20 involved in the family business. I had my list to make sure I
21 get these all right.

22 We have Robert Rust. Robert's here, right? Robert
23 is actually head of IT, information technology, at Rose Acre
24 Farms.

25 And you're here with your wife Charlotte, right?

1 Charlotte?

2 MR. ROBERT RUST: Marjorie.

3 MR. KING: Oh, Marjorie, sorry. I've got the
4 wrong -- there's -- your daughter is Charlotte, right?
5 Charlotte. And Elizabeth. Elizabeth is right here.

6 Stand up. Go ahead and stand up. It's a little
7 embarrassment.

8 And where is Isaac? Isaac is there. There we go.

9 And I think that's about all -- oh, there's one
10 other. Elias, Elias Rust, right there. Elias is also the
11 next generation of the Rust family. And here's some other
12 members of the Rust family, sons and daughters of Lois Rust.
13 There's Ruth Ann Hendrix, or Ruth Ann Rust. There is John
14 Rust, James Rust, Anthony Rust. And the seven children have
15 been involved in the business since they were very little.
16 You'll meet some of these. You'll actually meet Marcus Rust.
17 Marcus is going to testify here. Marcus will say when he was
18 a real little kid, he had to get up early and collect the eggs
19 at the henhouses. And the rest of them had the same
20 experience. They worked in the family business all along.

21 And from very humble beginnings, Lois Rust and David
22 Rust would raise chickens and eggs. In the 1950s they would
23 take the eggs to Indianapolis, the Farmer's Market, and it
24 drew the attention of some local grocery chains and -- who
25 really liked the eggs, and as their customers grew, Rose Acre

1 grew. And you'll see that throughout the -- throughout their
2 history, they continue to grow. So here 1950s, some historic
3 pictures, that's one of their first trucks. Here's actually a
4 picture of Lois Rust there putting the stakes down for one of
5 the farms that they built outside of the family farmhouse.
6 There's a picture of the seven kids at one of the farms.

7 In the '60s through the 1990s, they grew, they
8 expanded. They grew other farms -- built other farms in
9 Indiana, Iowa and other cities -- excuse me -- other states.
10 They grew into different kinds of eggs, developing not only
11 egg products, like liquid egg and powder eggs, but specialty
12 eggs like Omega-3 eggs, organic eggs.

13 And then in the 2000s they started expanding into
14 cage-free production. And then by today, in the 2010s, they
15 are today the largest cage-free egg producer in the United
16 States. So that today Rose Acre has grown from these very
17 modest beginnings to being the second largest egg producer in
18 the United States with 20 facilities across the U.S. from
19 North Carolina to Hawaii, it employs 2,000 people and produces
20 all kinds of different eggs and egg products.

21 And to understand Rose Acre, you have to have a
22 little understanding -- better understanding of who their
23 customers are. Rose Acre doesn't sell eggs to you and me.
24 There's not a Rose Acre store we can buy eggs. What they do
25 is they sell the eggs on what's known as a wholesale market.

1 real world.

2 Ladies and gentlemen, by the way, our expert's name
3 is Dr. Walker. I almost forgot that. Dr. Walker will respond
4 to Dr. Baye's analysis.

5 I'm now going to conclude. I'd like to thank you on
6 behalf of Rose Acre Farms and also thank you for agreeing to
7 serve. I know this is a real imposition. I heard the groans
8 when the judge said that it was going to be 25 days, and I
9 understand it. I understand it's taking you away from your
10 work, from your livelihood, from your families, but you're the
11 lucky ones and we -- and we chose you. You didn't choose us.

12 But this case is important. It's really important.
13 It's important to Rose Acre. You see their business integrity
14 is being attacked. They're being accused of -- let me put
15 this down. They're being accused of cheating, of rigging the
16 egg marketplace. And that goes to the heart, that goes to the
17 heart, and it attacks the values that the Rust family, from
18 Lois and David Rust forward, the integrity of the business and
19 what they've built with their blood, sweat, and tears over the
20 past 50 years, 50 to 60 years.

21 Ladies and gentlemen, throughout this trial, you
22 will learn that Rose Acre did not agree to reduce egg supplies
23 as part of some conspiracy. They grew and grew. They
24 expanded. They did not agree to the Certified Program in
25 order to reduce supply. They agreed to the Certified Program